

ORIGINAL

The Morenci Water & Electric C

401 Burro Alley  
P.O. Box 68  
Morenci, AZ 85540  
Telephone (928) 865-2229  
Facsimile (928) 865-5261



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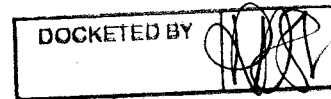
2010 JUL 21 P 2:53  
July 16, 2010

AZ CORP COMMISSION  
DOCKET CONTROL

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**

JUL 21 2010



Re: Purchase Power Fuel Adjuster  
Docket: E-01049A-97-0677, Decision #49576  
Reports for June 2010

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$75,788.69
- Tucson Electric Power in the amount of \$246,125.00
- Tucson Electric Power in the amount of \$2,164,486.20
- Freeport McMoRan Copper & Gold Energy Services, LLC in the amount of \$3,121,609.06

Please let me know if you have any questions or comments.

Sincerely,

Ruel A. Rogers, Jr.  
Superintendent

RAR/dl

Enclosures(13 sets)

XC: B. Bozzo, ACC w/encl.  
H. Garz, FMI w/encl.  
B. Keene, ACC w/encl.  
File PPFA 2010

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1**  
**For the Month of June, 2010**

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>(478,353)</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>2,132,695</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>102,866,027</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 60807 dated Apr 8 1998	KWH	<u>100,733,332</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>4,779,481</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.046463</u>
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No.54712 Dated 10/10/85	\$/KWH	<u>0.075220</u>
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98, Updated Decision No. 61705 Dated 5/99	\$/KWH	<u>(0.027000)</u>
7.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.67676 dated 03/05	\$/KWH	<u>0.000000</u>
8.	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH	<u>0.04822</u>
9.	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH	<u>(0.001757)</u>
10.	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$	<u>(3,747)</u>
11.	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$	<u>0</u>
12.	PREAPPROVED DSM COSTS: From FA-1B	\$	<u>0</u>
13.	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$	<u>(482,100)</u>

**THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1A  
ADJUSTMENTS TO BANK BALANCE DETAIL  
For the Month of June, 2010**

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE:  
(Transfer amount to FA-1, Line 10.)

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\$0.00

THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1B  
PREAPPROVED DSM COST DETAIL  
For the Month of June, 2010

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

PROGRAM NAME	APPLICABLE TIME PERIOD	CUMULATIVE COSTS CLAIMED TO DATE	COSTS CLAIMED THIS MONTH
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NONE

TOTAL DSM COSTS CLAIMED THIS MONTH  
(Transfer amount to FA-1, Line 11.)

\$0.00

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1C**  
**For the Month of June, 2010**

Supplemental report for Decision No. 61298 dated December 1998

Line

1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$		<u>0</u>
2.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH		<u>0</u>
3.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH		<u>0.000000</u>
4.	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$		<u>0</u>
5.	ENDING BANK BALANCE: (Line 1 + Line 5)	\$		<u>0</u>

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-2**  
**For the Month of June, 2010**

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: RUEL A. ROGERS, JR.
4. CONTACT TELEPHONE NUMBER: (928) 865-6971

**GENERATION**

5.	GAS GENERATION	(\$)		
6.	OIL GENERATION	(\$)		
7.	COAL GENERATION	(\$)		
8.	OTHER GENERATION (Identify)	(\$)		
	TOTAL GENERATION COSTS	(\$)	A.	0

**PURCHASED POWER**

9.	BASE METER CHARGE	(\$)		
10.	DEMAND CHARGE	(\$)		
11.	ENERGY CHARGE	(\$)		
	TOTAL PURCHASED POWER COSTS	(\$)	B.	<u>4,779,481.06</u>
	(Including Special Contract Per Decision No. 60807)			
12.	TOTAL COST OF GENERATION AND PURCHASED POWER	(\$)		<u>\$4,779,481.06</u>
	(Total of Lines 8A and 11B)			
13.	KWH	(KWH)		
	Generated			0
	Purchased Special Contract (Per Decision No 60807)			<u>100,733,332</u>
	Purchased			<u>4,779,481</u>
	TOTAL KWH GENERATED/PURCHASED			<u>105,512,813</u>
14.	COST PER KWH	(\$/KWH)		<u>0.045298</u>
	(Line 12/Line 13)			
15.	UNACCOUNTED FOR KWH'S			
	Line Loss	(KWH)		<u>(102,049,417)</u>
	Own Use	(KWH)		<u>6,003</u>

THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
- GENERAL INFORMATION FA-3  
For the Month of June, 2010

Line			
1.	<u>SALES (KWH)</u>		
	Residential	<u>975,449</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,157,246</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>100,733,332</u>	
	TOTAL SALES (KWH)		<u>102,866,027</u>
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	<u>\$110,360.52</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$125,213.26</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>\$5,234,561.77</u>	
	TOTAL SALES (\$)		<u>\$5,470,135.55</u>
3.	<u>NUMBER OF CUSTOMERS**</u>		
	Residential	<u>2,064</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>264</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>1</u>	
	TOTAL CUSTOMERS		<u>2,329</u>

\*\*Use 'Avg' number of customers; Beg # + End # divided by 2.

THE MORENCI WATER & ELECTRIC COMPANY

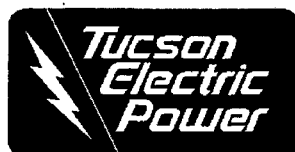
Miscellaneous Power Purchase Data

Excludes Special Contract Sales

For the Month of June, 2010

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	102,866,027	12504.8%	
Total Own Usage	6,003	0.7%	
Total System Losses	-102,049,417	-12405.5%	
Total Purchased Energy	822,613		
System Losses-Rolling annual average		<u>-11645.39%</u>	
MWE Billed Peak			N/A
MWE Load Factor as Billed	N/A		
*MWE/PDC Coincidental Peak Demand			N/A
*MWE/PDC Coincidental Load Factor	N/A		
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers			N/A
MWE Actual Load Factor Per 3 MWE Totalizers	N/A		





**The Energy People**

P.O. Box 711 M/S DS204  
Tucson, Arizona 85702  
Phone: 520-917-8773  
Fax: 520-917-8789

**INVOICE**

**Morenci Water & Electric**  
Attn: Ruel Rogers  
P.O. Box 68  
Morenci, AZ 85540

Invoice Date: **July 2, 2010**  
Customer No: **TEP 0311 MWE 904**

Description					Charges	Credits	Amount
Charges in accordance with Service Schedules "A", "B", "C", "D", "E" and "F" of the Control Area Services Agreement dated August 18, 2004.							
<b>Month of: June 2010</b>							
Control Area Services:							
Administrative	188,611	kW @	0.0128 / kW		<b>2,414.23</b>		<b>2,414.23</b>
Reactive Supply & Voltage Control	188,611	kW @	0.1610 / kW		<b>30,366.44</b>		<b>30,366.44</b>
Regulation & Frequency Response	2,174	kW @	12.0850 / kW		<b>26,272.79</b>		<b>26,272.79</b>
Energy Imbalance - Outside Bandwidth:							
Negative Imbalance	108.75	MWh @	100.00 / MWh		<b>10,875.20</b>		<b>10,875.20</b>
Positive Imbalance	(160.856)	MWh @	38.69910 / MWh			<b>6,224.97</b>	<b>(6,224.97)</b>
Spinning Reserve	1,000	kW @	12.0850 / kW		<b>12,085.00</b>		<b>12,085.00</b>
Interruptible Load/Non-Spin	0	kW @	1.9840 / kW				
Energy Imbalance - Inside Bandwidth - Payment-in-Kind:							
Negative Imbalance	1,432	MWh					
Positive Imbalance	(1,627)	MWh					
Net	(195)	MWh					

e-mail to:  
roxanne\_boling@fml.com

copy to:

**Freeport McMoran Copper & Gold, Inc.**  
Attn: Mike Hughes  
One North Central Avenue  
Phoenix, Arizona 85004

**Payments are due the 15th day after invoice receipt**

**Amount Due TEP** \$ **75,788.69**

Please Wire Transfer Payments to:

**Due Date:** **July 17, 2010**

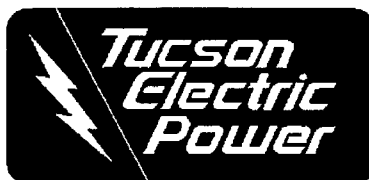
Tucson Electric Power Company - Corporate  
**Wells Fargo Bank**  
ABA 121-000-248  
Account Number 495-0029116

Payments not received on or before the  
Due Date are subject to a late charge.

Checked By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Questions? Call Shawna Hilman at (520) 917-8716 or  
e-mail SHilman@tep.com



*The Energy People*

P.O. Box 711  
Tucson, Arizona 85702  
520-745-7170  
fax 520-770-2003

**INVOICE**

**Morenci Water & Electric Company**  
Attn: Ms. Roxanne Boling  
P.O. Box 68  
Morenci, AZ 85540

Invoice Date: **July 1, 2010**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> July			
Energy Charge: 0 MWh @ \$0.00 /MWh	\$ -		<b>\$0.00</b>
<b>Transmission Services</b>			
Transmission 100 MW @ \$2,259.25 MW-Mon	\$225,925.00		\$225,925.00
Ancillary Services:			
Scheduling, System Control, and Dispatch Service \$161.00 MW-Mon	\$16,100.00		\$16,100.00
Reactive Supply and Voltage Control \$41.00 MW-Mon	\$4,100.00		\$4,100.00
Non-Spin capacity 0 MWh @ 0.00 /MWh		\$0.00	<b>\$0.00</b>
<b>Amount Due TEP</b>			<b>\$ 246,125.00</b>

Payments are due the later of the last day of the invoice month or the tenth day after receipt.

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
ABA 121-000-248  
Account Number 495-0029116

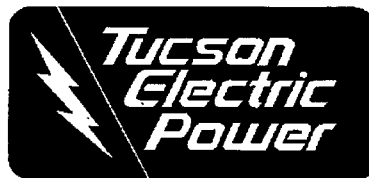
**Due Date: July 30, 2010**

Payments not received on or before the Due Date are subject to a late charge.

Approved By: \_\_\_\_\_

Checked By: \_\_\_\_\_

Questions? Call Bob Nowak at (520) 917-8776 or  
e-mail mnowak@tep.com



*The Energy People*

P.O. Box 711  
Tucson, Arizona 85702  
520-745-7170  
fax 520-770-2003

## INVOICE

**Morenci Water & Electric Company**  
Attn: Ms. Roxanne Boling  
P.O. Box 68  
Morenci, AZ 85540

Invoice Date: **July 1, 2010**  
**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> July			
Energy Charge:			
Market Power - Real Time 59,026 MWh @ 32.73 /MWh	<b>1,931,887.00</b>		<b>1,931,887.00</b>
Market Power - Daily 13,752 MWh @ 16.91 /MWh	<b>232,599.20</b>		<b>232,599.20</b>
Short Term Contract 0 MWh @ #DIV/0! /MWh	<b>0.00</b>		<b>-</b>
Imbalance PAYB from TEP 0 MWh @ 0.00 /MWh	<b>0.00</b>		<b>0.00</b>
Additional Transmission costs: (PNM, WALC, TEPC)	<b>0.00</b>		<b>0.00</b>
<b>Amount Due TEP</b>			<b>\$ 2,164,486.20</b>

Payments are due the later of the last day of the invoice month or the tenth day after receipt.

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
ABA 121-000-248  
Account Number 495-0029116

**Due Date: July 20, 2010**

Payments not received on or before the Due Date are subject to a late charge.

Approved By: \_\_\_\_\_

Checked By: \_\_\_\_\_

Questions? Call Bob Nowak at (520) 917-8776 or  
e-mail [mnowak@tep.com](mailto:mnowak@tep.com)



**FREEPORT-McMoRAN  
COPPER & GOLD**

Freeport-McMoRan Copper & Gold Energy Services, LLC  
333 North Central Avenue, Phoenix AZ 85004  
(602) 366-8100 Voice  
(602) 366-7314 Facsimile

**INVOICE**

Invoice Date: July 2, 2010

Morenci Water & Electric  
P.O. Box 68  
66 Fairbanks Road  
Morenci, Az. 85540

Description	Charges	Credits	Amount
Energy Purchased by MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Second Revised Sheet Nos. 1-3			
Capacity MW 147	\$ 1,176,000.00		\$ 1,176,000.00
Energy MWh 49,344	\$ 1,780,306.66		\$ 1,780,306.66
var O&M 49,344	\$ 165,302.40		\$ 165,302.40
Current Charges			\$ 3,121,609.06

Due Date: July 16, 2010

Wire Transfer:

Bank of America  
Dallas, Texas  
ABA # 026009593  
Account # 3752029501  
Freeport-McMoRan Copper & Gold Energy Services